

TRANSPORTATION AND COMMUNICATIONS - AGREEMENT - 1954

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USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

May 29, 1954

MEMORANDUM

TO : Mr. Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

FROM : Lawrence W. Smith, Chief,
Public Administration Division

SUBJECT: Recommendation of E. P. Sanders, Telecommunications
Expert, UNTAA to Minister of Communications with
regard to Engineering Branch organization.

The attached subject matter is self-explanatory and transmitted to you for information only. Will you please return it to me when you have finished with it.

LWSmith:mep

THE UNITED STATES OF AMERICA

AND

JOHN DOE ENGINEERING COMPANY

MEMORANDUM OF AGREEMENT made this day of 1954, between the Government of the United States of America, represented by the United States of America Operations Mission to Saudi Arabia (hereinafter referred to as the "USAOM"), and the John Doe Engineering Company (hereinafter referred to as the "Contractor"), a corporation organized and existing under the laws of the State of Delaware, with its offices and principal place of business at 100 John Street, New York, New York.

WHEREAS, the Government of the United States of America, acting through the USAOM, pursuant to the General Agreement for Special Economic Aid between the Government of the United States of America and the Government of the Kingdom of Saudi Arabia signed at Jidda on _____, 1954, is prepared, as a part of its technical cooperation program with the Kingdom of Saudi Arabia, under the terms of a bilateral project agreement with the Government of Saudi Arabia, to cooperate with the Kingdom of Saudi Arabia in making highway surveys to which both governments will contribute a part of the cost; and

WHEREAS, the USAOM has determined that the Contractor is well qualified to make such surveys on its behalf, and that utilization of the Contractor's services will result in the most effective utilization of public and private personnel and facilities in carrying out the purposes of the General Agreement for Special Economic Aid in this instance; and

WHEREAS, the Contractor has indicated its willingness to furnish such surveys to the Kingdom of Saudi Arabia on behalf of the USAOM;

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

A. On behalf of the USAOM and for the Government of the Kingdom of Saudi Arabia, the Contractor shall make highway surveys between the following points:

Mecca - Taif
Jidda - Jizan
Abha - Taif
Riyadh - El Karj
Riyadh - Duraya

In executing these surveys, the Contractor shall perform all services subject to the inspection and acceptance of the Director of the United States of America Operations Mission to Saudi Arabia, or his duly designated representative (hereinafter referred to as the "Inspector").

1. Along the entire routes of the above mentioned highways the Contractor shall perform the following services with the degree of accuracy necessary for the letting of construction contracts and the securing of financing for the subsequent highway construction:

~~boxed~~

- SPACED
- (a) Select and locate with adequate markings, ~~spaced~~ at proper intervals, the most advantageous route for the respective highways from both an economic and engineering standpoint acceptable to USAOM and the Government of the Kingdom of Saudi Arabia, and prepare the necessary maps and profiles showing the grades, ~~curves~~, fills, etc.;
 - (b) Furnish specifications, including quantities, qualities and type, of the road construction materials and grading and fill required;
 - (c) Make definitions, including type and location on the maps and profiles, and a cost estimate, of drainage structures, sufficiently complete to enable the subsequent construction contractors to proceed with detailed field investigation and to prepare final detailed designs;
 - (d) Make definitions, including types and location on the maps and profiles, and a cost estimate, of service structures, including bridges, culverts, etc., sufficiently complete to enable the subsequent construction contractors to proceed with detailed investigation, such as drilling for bridge and culvert foundations, and to prepare final detailed designs.
 - (c) Make an estimate of the quantity and quality and location of materials available and suitable for the construction of the highways, and of the cost of construction, including the estimated cost of highway material.

B. The Contractor shall complete and deliver, as the USAOM shall direct, the

the respective highway surveys, acceptable to the Inspector, specified in paragraph A of this Article I, within _____ months after the entry into force of this Agreement.

C. The Contractor may, after advance notice to the USAOM, enter into subcontracts with a subcontractor approved by the USAOM for any aerial photography or mapping required in the performance of its services hereunder; provided, however, that no such subcontract shall be on a cost-plus-a-percentage-of-cost or a cost-plus-a-fixed-fee basis.

D. The Contractor shall furnish all materials, equipment, and supplies required for the performance of its services under this Article I. Upon the conclusion of its services under this Agreement, the Contractor shall place in good serviceable condition and deliver to the USAOM, as directed by the Inspector, all non-expendable equipment and unexpended materials and supplies purchased by it for use under this Agreement. The Contractor shall maintain and furnish to the USAOM on conclusion of its services hereunder an accurate inventory of such equipment, materials, and supplies, and shall at its own expense replace any such non-expendable equipment lost, destroyed, or damaged due to the negligence of the Contractor or of his subcontractors, agents, or employees, but shall not be otherwise liable for loss of or damage to such equipment. Title to such non-expendable equipment shall be in the Government of the United States of America at all times.

E. The services performed and the materials, supplies, and equipment furnished by the Contractor under this Agreement shall be in accordance with a budget and table of equipment prepared by the Contractor and approved by the USAOM, which shall specify the personnel employed by the Contractor under this Agreement, and the schedule of salaries to be paid to each personnel, and all materials, supplies, and equipment of a value of over One Hundred Dollars (\$100.00) per item to be supplied by the Contractor, and shall contain an estimate of other expenditures to be made by the Contractor under this Agreement. The documents may be subsequently supplemented and revised with the approval of the Inspector.

F. The Contractor agrees to replace any employee serving in Saudi Arabia here-

under on the request of the Inspector.

ARTICLE II

A. In consideration of the Contractor's undertakings under this Agreement, the USAOM shall reimburse the Contractor in United States Dollars for the United States Dollar costs incurred by it in performing such undertakings and in addition shall pay the Contractor a fee in United States Dollars fixed at _____ Dollars, provided, that the total payments to the Contractor hereunder shall not exceed _____ Dollars. Costs for which the Contractor shall receive reimbursement hereunder shall consist of the items of direct cost provided for in the Contractor's budget specified in Article I, section E hereof, plus overhead expenses calculated at a provisional rate of Fifteen Per Cent. (15%) of the direct salaries and wages of overseas personnel reimbursed by the USAOM under this Agreement and Sixty Per Cent. (60%) of direct salaries and wages of personnel in the United States reimbursed by the USAOM under this Agreement, subject to adjustment to the actual overhead rate as determined on audit by USAOM of the accounts of the Contractor on the completion of the Contractor's services under this Agreement.

B. Reimbursements to the Contractor under the Agreement shall be made by the USAOM on the basis of properly certified vouchers submitted to it by the Contractor no oftener than monthly and accompanied by such supporting documents as the USAOM shall request. Payment of the fee specified in Section A of this Article II shall be in ten equal monthly installments of _____ Dollars each and the remainder on completion of the Contractor's services hereunder.

C. The Administrator of Foreign Operations Administration and the Comptroller General of the United States, or any duly authorized representative of either, until the expiration of three years after final payment hereunder, shall have access to and the right to examine any directly pertinent books, documents, papers, and records of the Contractor or any of his subcontractors engaged in the performance of and involving transactions related to this Agreement or subcontracts thereunder.

ARTICLE III

USAOM shall endeavor to arrange, under the bilateral project agreement between the Government of the United States of America and the Government of the Kingdom of Saudi Arabia with respect to the highway survey project, for the furnishing to the Contractor by the Government of the Kingdom of Saudi Arabia of the following:

1. A sum in Riyals equivalent to _____ Dollars, out of which the Contractor shall pay the Riyal cost of food for its personnel, petroleum fuel and lubricants, local Saudi Arabian labor, and miscellaneous Riyal expenses.
2. Adequate housing for the Contractor's project manager and family in Jidda, and for _____ single men in Jidda as the Contractor shall require.
3. Canteen privileges and use of laundry facilities for personnel in Jidda, and the use of shop facilities for the repair of equipment.
4. Suitable office space for the Contractor's headquarters for this project in Jidda.
5. Police protection when and if required by the Contractor in any area in Saudi Arabia.
6. Aircraft and crews and all expenses for preliminary air reconnaissance of proposed highway routes, as required by the Contractor.
7. Access to and prints of any existing available aerial photographs of the proposed highways.
8. An agreement to hold the Contractor harmless from civil suits brought against the Contractor by third parties for injury or property damage arising out of the carrying out of the highway survey project.
9. The same treatment with respect to taxes, customs and import duties, service charges, investment or deposit requirements and currency controls for personnel of the Contractor, other than Saudi Arabian personnel, engaged in performing services under this Agreement and for funds, materials, ^{and} equipment introduced into Saudi Arabia by the

Contractor and used in performing such services as is provided for personnel and funds, materials, and equipment of the Government of the United States of America under the terms of Article III, section 2, and Article IV of the General Agreement for Technical Cooperation between the United States of America and Saudi Arabia signed at Jidda on January 17, 1951.

10. The exemption of the Contractor from all Saudi Arabian corporate and business taxes applied to it solely by reason of its activities under this Agreement.

that

In the case ~~of~~ the Government of the Kingdom of Saudi Arabia fails to furnish any of the foregoing, an equitable adjustment of the items for which the Contractor shall receive reimbursement and of the maximum limit established for payments under this Agreement shall be made by agreement between the USAOM and the Contractor. Failure to agree to any such adjustment shall be a dispute concerning a question of fact within meaning of Article IV of this Agreement.

ARTICLE IV

Except as otherwise provided in the Agreement, any dispute concerning a question of fact arising under this Agreement which is not disposed of by agreement shall be decided by the Inspector, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. Within Thirty Days (30) from the date of receipt of such copy of decision, the Contractor may appeal by mailing or otherwise furnishing to the Inspector a written appeal addressed to the ~~Director of USAOM~~ ^{Adm. of USAOM} ^{Director of USAOM} ^{Usaom} and the decision of the ~~Administrator~~ ^{Inspector} ^{20A}, or his duly authorized representative for hearing of such appeals, shall be final and conclusive, provided, that if no such appeal is taken, the decision of the Inspector shall be final and conclusive. In connection with any appeal proceeding under this clause, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the Agreement and in accordance with the Inspector's decision.

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ARTILE V

In the performance of work under this Agreement, the Contractor agrees not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin; and further agrees to insert the foregoing provision in all subcontracts hereunder except suncontracts for standard commercial supplies or for raw materials.

ARTICLE VI

No member or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this Agreement if made with a corporation for its general benefit.

ARTICLE VII

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of ^{ur}securing business. For breach or violation of this warranty, the Government of the United States of America shall have the right to annul this Agreement without liability, or, in its discretion, to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

ARTICLE VIII

This Agreement shall enter into force when signed by the parties and shall remain in force for a period of 6 months thereafter, unless previously terminated as provided herein.

This Agreement may be terminated by the USAOM (1) whenever the Contractor shall default in the performance thereof, as determined by the Administrator of ~~the~~ FOA or the Inspector; or (2) whenever the ^{Direct}Administrator of the USAOM shall determine that

such termination is in the best interests of the USAOM. Termination shall be effected by delivery to the Contractor of a written notice of termination specifying whether termination is for the default of the Contractor, in which case it shall be effective immediately on receipt of notice, or at the option of the USAOM, in which case it shall be effective Thirty Days (30) after receipt of such notice, ¹n the case of termination at the option of USAOM, the Contractor shall be reimbursed for all expenses irrevocably incurred and unpaid by it prior to the date of termination, including the expenses of liquidating claims of employees under the terms of their respective employment contracts, and shall receive compensation including a portion of its fee for all services performed by it prior to the date of termination. In the case of termination for default of the Contractor, the Contractor shall be reimbursed for all expenses incurred by it prior to the date of termination, but shall receive no part of the fixed fee for its services under this Agreement.

This Agreement may be extended, amended, or supplemented at any time by agreement of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

JOHN DOE ENGINEERING COMPANY,

FOR THE GOVERNMENT OF THE UNITED
STATES OF AMERICA,

By _____

By _____

RK Survey (X)

TRANSLATION

Ministry of Communications
Jedda, Saudi Arabia
January 7, 1954 (2/5/73)

Director,

Liaison Office for Technical Assistance.

Greetings,

It has been found necessary to ask Dr. Brown or his assistant, Mr. Bogue, to accompany the Hejaz Railway Surveying Mission to determine the location of wells to be drilled along the railway line.

I wish you would contact the Director of the U.S.O.M. to arrange for the travel of either of the aforesaid with the Mission on Saturday.

Deputy Ministry of Communications

/s/ Abdul Aziz Bin Mua'mmar

Sa/A

f.r.

AIR POUCH

UNCLASSIFIED

Transportation
& Commerce

December 6, 1952

Ambassy, Jidda

FS Despatch # 155

Attention: Treaty Division
Office of Legal Affairs

AGREEMENT FOR THE TECHNICAL COOPERATION PROGRAM IN TRANSPORTATION AND
COMMUNICATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF THE KINGDOM OF SAUDI ARABIA

Under cover of this Despatch, we submit one signed copy of the English Text
and one signed copy of the Arabic Text of AGREEMENT FOR THE TECHNICAL
COOPERATION PROGRAM IN TRANSPORTATION AND COMMUNICATION BETWEEN THE
GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE
KINGDOM OF SAUDI ARABIA

This Agreement was signed at the Ministry of Finance on 10th November, 1952,
(22 Safer, 1372)

/s/ Raymond A. Hare
American Ambassador

Jidda, Saudi Arabia

MEMORANDUM

December 4, 1952

TO: Sadek Bay Hussein
Director, Liaison Office
for Technical Assistance

FROM: Edward Betzig
Acting Program Officer
Technical Cooperation Administration

RE: Copies of English Text of Agreements

We are attaching, for your files, two copies of the English Text of each of the following Agreements:

1. Cooperative Railway Survey Project
2. Cooperative Aerial Survey Project
3. Cooperative Program Agreement in Natural Resources
4. Cooperative Program Agreement in Transportation and Communication ✓
5. Cooperative Program Agreement in Agriculture
6. Cooperative Program Agreement in Public Health and Disease Control.
7. Cooperative Program Agreement in Education
8. Cooperative Rural Community Development Projects.

Sealy 555
Aug. 10-52

AGREEMENT FOR THE TECHNICAL COOPERATION PROGRAM
IN TRANSPORTATION AND COMMUNICATION
BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF THE KINGDOM OF SAUDI ARABIA

Revised
on Sept. 13, 1952

ARTICLE I

Reference is made to Article I, Section 1, of the Point Four General Agreement for Technical Cooperation signed by the representatives of the Governments of the Kingdom of Saudi Arabia and of the United States of America at Jidda, January 17, 1951, which provides that subsidiary understandings may be agreed upon by duly designated representatives of the Kingdom of Saudi Arabia and of the Technical Cooperation Administration, Department of State of the United States.

ARTICLE II

In accordance with a request for technical assistance in various fields of transportation and communication as presented by the Government of Saudi Arabia in Notes Nos. 4111 and 4112 of March 16, 1952, the two Governments agree to initiate a cooperative program having as its principal objective to assist in the improvement of the well-being of the people of Saudi Arabia through the acceleration of the program for extending and expanding present transportation and communication facilities, including appropriate activities in the development of public roads, railroad, telephone, telegraph and radio communications.

ARTICLE III

As a means of fulfilling this program, the Technical Cooperation Administration shall provide, within the limits of available funds, for the following:

a) **PERSONNEL**

Chief, Transportation and Communication Field Group;
such other experts in the field of Transportation and Communication as may be needed as agreed upon by the respective Governments.

The experts shall be selected and appointed by the Government of the United States of America but shall be acceptable to the Government of Saudi Arabia. They will work with the appropriate Departments of the Government of Saudi Arabia. The Government of the United States of America will pay the salaries and allowances of these persons as well as the cost of their travel and transportation of their personal effects to Saudi Arabia and return, in accordance with the laws and regulations of the United States of America.

b) TRAINING

Trainees nominated by the Saudi Arabian Government and acceptable to the Technical Cooperation Administration will, to an extent later to be agreed upon, be given specialized training in the United States of America. The Government of the United States of America is to pay for tuition, subsistence, and travel of trainees during their stay in the United States of America.

c) EQUIPMENT

Equipment and materials necessary to the effectiveness of the expert's work but not obtainable in Saudi Arabia, will be supplied by the United States Government to an extent subsequently to be agreed upon.

ARTICLE IV

The Government of Saudi Arabia, in order to bear a fair share of the cost of the program, agrees to:

- a) Provide suitable housing and furniture; office space and equipment; secretarial-interpreter-translator and related assistants necessary to the successful implementation of the program,

- b) Pay cost of land, buildings, improvements, local materials and labor necessary to the effectiveness of the experts' work,
- c) Provide transportation within Saudi Arabia of United States experts as well as transportation costs to and from the United States of America of Saudi Arabians nominated under Article III, paragraph b.
- d) Assign appropriate technicians and whatever other Saudi Arabian staff are justified by the program to work with the United States technicians.

ARTICLE V

It is understood that the implementation of the program shall be governed by the terms of the above-mentioned General Agreement for Technical Cooperation.

This understanding is to be effective for a period of three years from the date of signature or until one month after either Government shall have given notice in writing to the other of the intention to terminate said understanding - whichever is earlier.

This understanding is prepared in duplicate and signed at the Ministry of _____ on _____.

Draft (1)
July 3, 1952, EB

D R A F T

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
GOVERNMENT OF THE UNITED STATES
AND THE
KINGDOM OF SAUDI ARABIA
COVERING TECHNICAL COOPERATION IN THE FIELD OF
TRANSPORTATION AND COMMUNICATION

ARTICLE I

Reference is made to Article I, Section I, of the Point

Four General Agreement for Technical Cooperation signed by the

representatives of the Governments of the Kingdom of Saudi Arabia

and of the United States of America at Jidda, January 17, 1951,

which provides that subsidiary understandings may be agreed upon

by duly designated representatives of the Kingdom of Saudi Arabia

and of the Technical Cooperation Administration of the United States

of America.

ARTICLE II

In accordance with a request for technical assistance in

various fields of transportation and communication as presented

by the Government of Saudi Arabia in Notes Nos. 4111 and 4112 of

March 16, 1952, it is proposed that the two Governments initiate a

Draft-
Transportation
and
Communication

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cooperative project having as its principal objective to assist in the improvement of the well-being of the people of Saudi Arabia through the acceleration of the program for extending and expanding present transportation and communication facilities. It is proposed that a survey of the route and economic possibilities of the projected Riyadh-Jidda railway be conducted and that plans be drawn up for a net-work of farm-to-market and other type public roads.

ARTICLE III

As a means of fulfilling this program, the Technical Cooperation Administration shall provide, within the limits of available funds, for the following:

a) PERSONNEL

Chief, Transportation and Communication Field Group;

Such other experts in the field of Transportation and

Communication as may be needed as agreed upon by the

respective Governments.

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Transportation
and
Communication

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The experts shall be selected and appointed by the Government of the United States of America but shall be acceptable to the Government of Saudi Arabia. They will work with the appropriate Departments of the Government of Saudi Arabia. The Government of the United States of America will pay the salaries and allowances of these persons as well as the cost of their travel and transportation of their personal effects to Saudi Arabia and return, in accordance with the laws and regulations of the United States of America.

b) TRAINING

Trainees nominated by the Saudi Arabian Government and acceptable to the Technical Cooperation Administration will, to an extent later to be agreed upon, be given specialized training in the United States of America. The Government of the United States of America is to pay for tuition, subsistence, and travel of trainees during their stay in the United States of America.

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Transportation
and
Communication

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c) EQUIPMENT

Equipment and materials necessary to the effectiveness of the expert's work but not obtainable in Saudi Arabia, will be supplied by the United States Government to an extent subsequently to be agreed upon.

ARTICLE IV

The Government of Saudi Arabia, in order to bear a fair share of the cost of the program, agrees to:

- a) Provide suitable housing and furniture, office space and equipment, secretarial-interpreter-translator and related assistants necessary to the successful implementation of the project,
- b) Pay cost of land, buildings, improvements, local materials and labor necessary to the effectiveness of the experts work,
- c) Provide transportation within Saudi Arabia of United States experts as well as transportation costs to and from the

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Transportation
and
Communication

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United States of America of Saudi Arabians nominated
under Article III, paragraph b.

- d) Assign appropriate technicians and whatever other Saudi
Arabian staff are justified by the project to work with
the United States technicians.

ARTICLE V

It is understood that the implementation of the project shall
be governed by the terms of the above-mentioned General Agreement
for Technical Cooperation.

This understanding is to be effective for a period of three
years from the date of signature or until one month after either
Government shall have given notice in writing to the other of the
intention to terminate said understanding - whichever is earlier.

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Transportation
and
Communication

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This understanding is prepared in duplicate and signed

at the Ministry of _____

on _____

(Samuel S. Stratton)
U. S. Director of Technical
Cooperation in Saudi Arabia

Minister,
Kingdom of Saudi Arabia